

## EXHIBIT 4

1  
2 UNITED STATES DISTRICT COURT  
3 EASTERN DISTRICT OF NEW YORK  
4 1:18-CV-05775-ERK-CLP

5 -----x  
6  
7 STAR AUTO SALES OF BAYSIDE, INC.  
8 (d/b/a STAR TOYOTA OF BAYSIDE), STAR  
9 AUTO SALES OF QUEENS, LLC (d/b/a STAR  
10 SUBARU), STAR HYUNDAI LLC (d/b/a  
11 STAR HYUNDAI), STAR NISSAN, INC. (d/b/a  
12 STAR NISSAN), METRO CHRYSLER  
13 PLYMOUTH INC. (d/b/a STAR CHRYSLER  
14 JEEP DODGE), STAR AUTO SALES OF  
15 QUEENS COUNTY LLC (d/b/a STAR FIAT)  
16 And STAR AUTO SALES OF QUEENS  
17 VILLAGE LLC (d/b/a STAR MITSUBISHI),

18  
19 Plaintiffs,

20  
21 v.

22 VOYNOW, BAYARD, WHYTE AND COMPANY, LLP,  
23 HUGH WHYTE, RANDALL FRANZEN AND ROBERT  
24 SEIBEL.

25  
Defendants.

-----x  
2000 Market Street  
Philadelphia, Pennsylvania

September 13, 2022  
10:42 a.m.

DEPOSITION of STEVEN KOUFAKIS, a  
Plaintiff, held at the above-entitled time and  
place, taken before Carolyn Crescio, a  
Professional Shorthand Reporter and Notary  
Public of the State of Pennsylvania.

\* \* \*

1  
2 A P P E A R A N C E S:  
3

MILMAN LABUDA LAW GROUP, PLLC

4 Attorneys for Plaintiffs

3000 Marcus Avenue

5 Suite 3W8

Lake Success, New York 11042

6 BY: JAMIE FELSEN, ESQ.  
7  
8

MARSHALL, DENNEHEY, WARNER, COLEMAN & GOGGIN, ESQS.

9 Attorneys for Defendants

620 Freedom Business Center

10 Suite 300

King of Prussia, Pennsylvania 19406

11 BY: MAUREEN FITZGERALD, ESQ.  
12

13 ALSO PRESENT:

Jeremy M. Koufakis, Esq.

14 Hugh Whyte

Randall Franzen

15 Robert Seibel

Steven Rambam (via phone)  
16  
17  
18  
19  
20  
21  
22  
23  
24

25 Job No. CS5366859

1 S. KOUFAKIS

2 S T E V E N K O U F A K I S , the witness herein,  
3 after having been first duly sworn by a Notary  
4 Public of the State of Pennsylvania, was examined  
5 and testified as follows:

6 BY THE COURT REPORTER:

7 Q. Please state your name for the  
8 record.

9 A. Steven Koufakis.

10 EXAMINATION

11 BY MS. FITZGERALD:

12 Q. Good morning, Mr. Koufakis. My name  
13 is Maureen Fitzgerald, and I represent the  
14 defendants in a lawsuit that's been filed by the  
15 Star entities.

16 Have you ever had your deposition taken  
17 before?

18 A. Yes.

19 Q. When was that?

20 A. Many years ago.

21 Q. In what connection? What context?

22 A. It was a thing when my mom passed  
23 away.

24 Q. An estate matter?

25 A. I'm sorry?

1 S. KOUFAKIS

2 accounting.

3 Q. That was not my question. My  
4 question was: Should management or ownership  
5 have caught some of the schemes that allegedly  
6 occurred?

7 A. I don't know.

8 Q. You said there were quarterly  
9 meetings. On what basis do you say that?

10 MR. FELSEN: Objection.

11 A. Physically seeing them at the  
12 dealership.

13 Q. And is it your testimony that you  
14 physically saw Voynow at the dealership four  
15 times -- strike that.

16 You physically saw Voynow at the dealership  
17 each quarter of every year?

18 A. No, not each quarter.

19 Q. How many times do you think in the  
20 course of a year, how many quarters do you think  
21 you saw Voynow at the dealership?

22 A. At least half. Twice.

23 Q. Twice a year. Are you able to  
24 recall specifically which quarters?

25 A. No.

1 S. KOUFAKIS

2 Q. Are you able to say whether it was,  
3 you know, January or June?

4 A. Well, definitely at the end of the  
5 year when they would do the year-ends.

6 Q. So would that be in December or  
7 January, when you say "year-ends"?

8 What do you mean?

9 A. Yes.

10 Q. Around the December, January time  
11 frame?

12 A. Yes.

13 Q. And when was the other time you  
14 recall seeing Voynow at the dealership?

15 A. They were different times. I could  
16 not tell you exactly when.

17 Q. Okay. And is it your testimony that  
18 you believe you were always present when Voynow  
19 was at the dealership?

20 MR. FELSEN: Objection.

21 A. No.

22 Q. Can you approximate for me how many  
23 times you believe you were present when Voynow  
24 would be at the dealership?

25 MR. FELSEN: Objection. Asked

1 S. KOUFAKIS

2 and answered.

3 A. I would be guessing.

4 Q. Are you aware of situations or  
5 occurrences when Voynow was at the dealership,  
6 and you were not there?

7 A. Yes.

8 Q. Did you review the complaint in this  
9 lawsuit before it was filed?

10 A. My brother Mike was handling that.

11 Q. So my question was: Did you review  
12 the complaint before it was filed?

13 A. No.

14 Q. Have you ever reviewed it?

15 A. No.

16 Q. I want to ask you about the period,  
17 and I'm focusing generally on 2010 through the  
18 current date. Am I correct that you do not have  
19 any ownership role in the Toyota Nissan or  
20 Subaru franchises during that period of time?

21 A. That is correct.

22 Q. And you don't have any management  
23 responsibilities for those franchises during  
24 that same time frame?

25 MR. FELSEN: Objection.

1 S. KOUFAKIS

2 A. That is correct.

3 Q. But you are involved, during that  
4 time period, in the Metro Chrysler Plymouth  
5 franchise, correct?

6 A. Yes.

7 Q. And am I correct that you're a  
8 50 percent owner, along with your brother John?

9 A. Yes.

10 Q. And you're the dealer principal?

11 A. Yes.

12 Q. In the capacity as a dealer  
13 principal, did you sign any franchise agreement  
14 or contract with Chrysler?

15 A. Yes.

16 Q. And was that agreement something  
17 that was signed when the franchise was  
18 established, or is it a document that has been  
19 renewed periodically?

20 A. No. It's perpetual. It was signed  
21 once many years ago.

22 Q. So was it signed when the Chrysler  
23 franchise was formed in 1990?

24 A. Yes.

25 Q. And I understand it then merged with



1 S. KOUFAKIS

2 Metro Dodge in 1995; is that accurate?

3 A. Yes.

4 Q. And was a new agreement signed at  
5 that time?

6 A. No.

7 Q. So the only agreement that you  
8 signed would have been the dealer-principal  
9 agreement in 1990?

10 A. Yes.

11 Q. Is there somebody that holds the  
12 position of executive manager for Chrysler?

13 A. No.

14 Q. Do you fulfill that function, as  
15 well as dealer principal?

16 A. Yes.

17 Q. Are you also involved in the  
18 management -- strike that.

19 Did you hold ownership interest in the  
20 Hyundai franchise?

21 A. Yes.

22 Q. And you're a one-third owner?

23 A. Yes.

24 Q. And that was formed in 2008?

25 A. I believe so.

1 S. KOUFAKIS

2 Q. And you're the dealer principal for  
3 the Hyundai franchise?

4 A. Yes.

5 Q. Same question again. Did you sign a  
6 single franchise agreement with Hyundai, or have  
7 you signed subsequent ones over the years?

8 A. Subsequent ones.

9 Q. How frequently have you signed  
10 dealer-principal agreements with Hyundai?

11 A. I think it's every five years.

12 Q. Is there an executive manager for  
13 Hyundai?

14 A. No.

15 Q. So is it fair to say you fulfill  
16 that role, as well as the dealer principal for  
17 Hyundai?

18 A. Yes.

19 Q. Let me ask you this: All of these  
20 Star entities, essentially it's a family  
21 business, correct?

22 A. Yes.

23 Q. And it was, if I understand,  
24 established by your father and built by  
25 your father over the years?

1 S. KOUFAKIS

2 A. Well, he's the founder. We all  
3 built it over the years.

4 Q. How is it divided? I mean, is it  
5 divided that each of the brothers get basically  
6 one-third of the total value, or was there a  
7 decision made that one brother is going to get a  
8 bigger franchise versus another? Can you  
9 explain that to me?

10 MR. FELSEN: Objection.

11 A. It just happened the way it happened  
12 here, the way it's stated.

13 Q. But was there an intent that it  
14 would be owned equally?

15 A. It was not -- it was intended that  
16 way, yes, but it did not happen that way.

17 Q. And do you know why it deviated from  
18 the original intent?

19 A. I have to ask my dad.

20 Q. Okay. Who's deceased?

21 You have to say "yes."

22 A. Yes.

23 Q. Let me ask you about your father.  
24 So as I understand, your father was actively  
25 engaged in the business, you know, up until

1 S. KOUFAKIS

2 broken out?

3 A. It was 60, me. 40, Mr. Raptis.  
4 Sixty percent, and he was 40 percent.

5 Q. So in the course of a typical week,  
6 how much time would you apportion between being  
7 physically at the Chrysler store versus the  
8 Hyundai store versus the body shop?

9 A. Wherever needed.

10 Q. Did you have an office in each  
11 location?

12 A. No.

13 Q. Where did you have an office?

14 A. At the Chrysler store.

15 Q. How much time in a typical week  
16 would you spend at the sort of accounting  
17 location for the dealerships? I understand  
18 there was one central location for all of the  
19 dealerships; is that accurate?

20 A. That is correct.

21 MR. FELSEN: Objection.

22 Q. And in the course of a typical week,  
23 how much time would you spend at that location?

24 MR. FELSEN: Objection.

25 A. Minimal.

1 S. KOUFAKIS

2 think it was necessary.

3 Q. So were you aware that your  
4 employees were using their personal emails,  
5 personal email accounts to conduct company  
6 business on behalf of Chrysler?

7 A. I was not aware, but not surprised.

8 Q. So you say you were not aware. So  
9 when you say only managers had corporate email,  
10 who would be the managers that would have it?

11 A. Sales, service. I guess, parts.

12 Q. And what about the office manager,  
13 the controller?

14 A. We didn't really have a controller.  
15 We had office managers.

16 Q. And Debbie Theocharis was the office  
17 manager for Chrysler?

18 A. Yes.

19 Q. So were you aware she did not have a  
20 corporate email?

21 A. Yes, I was aware she did not have.

22 Q. So you knew, to the extent she was  
23 conducting business on behalf of the Chrysler  
24 franchise, she was using her personal email?

25 MR. FELSEN: Objection.

1 S. KOUFAKIS

2 A. There was an advertising scheme with  
3 Subaru.

4 Q. And who was involved with that  
5 scheme?

6 A. Assuming Vivian and one of the  
7 managers, sales managers.

8 Q. You said you're assuming Vivian and  
9 one of the sales managers?

10 A. Yeah. I think they did together.

11 Q. And on what basis do you say that?

12 A. The sales manager gave false bills,  
13 and she cut the checks for them without looking  
14 into it.

15 Q. Who signed the checks?

16 A. Not sure.

17 Q. Did you ever look into that?

18 A. Like, who signed checks?

19 Q. Well --

20 A. We all signed checks.

21 Q. -- are you alleging that somebody  
22 who was not an authorized check signer, signed  
23 these checks relating to advertising?

24 A. No.

25 Q. Did you ever find out who signed the

1 S. KOUFAKIS

2 only indicted for \$489,000?

3 A. At the time? When was she indicted?

4 Q. 2017 or '18. I'm not sure.

5 A. At that time, that's probably all we  
6 found.

7 Q. So is it your testimony that --  
8 well, let me ask you this: Were you involved in  
9 any of the meetings or communications with  
10 either the police or district attorney?

11 A. No.

12 Q. Were you aware that the Star  
13 dealerships have made efforts and attempts to  
14 have other employees criminally charged?

15 A. It's ongoing.

16 Q. Okay. And despite the fact that we  
17 are now in 2022, and this came to the surface in  
18 2016, am I correct that the only employee who's  
19 been criminally charged has been Vivian?

20 A. So far.

21 Q. Okay. Do you have reason to believe  
22 any other employee is going to be criminally  
23 charged?

24 MR. FELSEN: Objection. Calls for  
25 speculation?

1 S. KOUFAKIS

2 Q. What is your understanding of  
3 management's role or responsibility in  
4 preventing fraud?

5 A. To check things to the best of their  
6 ability, to rely on people to do their job  
7 properly, to get correct information from  
8 management.

9 Q. In terms of checking things, does  
10 management have the responsibility to check  
11 things before signing checks?

12 A. Yes.

13 Q. And you were one of four authorized  
14 check signers for the dealerships, correct?

15 A. Yes.

16 Q. So as an authorized check signer,  
17 did you have the responsibility to make sure  
18 that a check presented to you for signature, was  
19 for a legitimate expense of the business?

20 A. Yes.

21 Q. Were you responsible, as a check  
22 signer, to make sure that there was proper  
23 backup documentation before signing a check?

24 A. Yes.

25 Q. And were you required as a check



1 S. KOUFAKIS

2 signer to review that documentation before  
3 signing the check?

4 A. Usually that's what happens.

5 Q. And were there ever any occasions in  
6 your capacity as an authorized check signer of  
7 the business, where you did not do that?

8 A. Yes, on occasion.

9 Q. And how often on occasion was that  
10 where you did not review backup documentation,  
11 or make sure that a check was for legitimate  
12 expenses?

13 A. There were times we could literally  
14 sign a hundred checks in a day. And while  
15 you're reviewing things with backup, assuming  
16 the backup is accurate, they would come over and  
17 say, Just here sign this, one more. And it  
18 would be without backup. And I would say, What  
19 is this for? And they would give an answer.

20 And because the cell phone is ringing,  
21 there's three people asking you to do something,  
22 sometimes we would not, on occasion, would not  
23 check, and trust the employee.

24 Q. So you would not be paying attention  
25 to what it was you were signing. Fair?

1 S. KOUFAKIS

2 MR. FELSEN: Objection.

3 A. No, I didn't say that.

4 Q. So you would sign checks without the  
5 documentation backing it up?

6 MR. FELSEN: Objection.

7 A. I signed the check, asked, What is  
8 it for? They would tell me. It sounded  
9 feasible. Yes.

10 Q. And you would sign it without the  
11 backup documentation, that you could --

12 A. They said they would bring it later.

13 Q. Did that, in fact, happen? Did they  
14 bring it later after you had signed a check?

15 A. Sometimes I would forget. They  
16 would not offer.

17 Q. Did you ever sign blank checks?

18 A. No.

19 Q. Did you ever --

20 A. Yes. In the motor vehicle account;  
21 the only account that that would happen.

22 Q. When you say the motor vehicle  
23 accounts, you're talking about the DMV checks?

24 A. Correct.

25 Q. Would there ever be occasion that

1 S. KOUFAKIS

2 you would sign blank checks while sitting at a  
3 desk next to Debbie?

4 A. No.

5 Q. If current or former employees were  
6 to say that you did, in fact, sign blank checks,  
7 would that be accurate?

8 MR. FELSEN: Objection.

9 A. Unless it was a motor vehicle, the  
10 answer would be no.

11 MR. FELSEN: Want to take a  
12 break?

13 THE WITNESS: Yeah.

14 (A break was taken.)

15 Q. As an owner with check-signing  
16 authority, did you have the responsibility to  
17 ask questions about any checks that raised a  
18 concern, before signing?

19 A. Yes.

20 Q. As executive manager and owner, did  
21 you have responsibility to ensure that there  
22 were proper procedures in place to prevent  
23 fraud?

24 A. That's very difficult.

25 Q. Why is it difficult?

1 S. KOUFAKIS

2 A. They were all in the main office.

3 Q. So you could have looked at any of  
4 them?

5 A. I could have, yes.

6 Q. Did you have a habit or practice of  
7 reviewing those monthly bank statements?

8 A. No.

9 Q. Did you believe you had any  
10 responsibility to review the monthly bank  
11 statements?

12 A. I felt between my brother, that was  
13 his responsibility, and the managers, that it  
14 was being done properly.

15 Q. So when you say "brother," you're  
16 referring to it being Michael's responsibility  
17 to review the monthly bank statements?

18 A. Yes.

19 Q. Did ownership have any  
20 responsibility for safeguarding the assets of  
21 the business?

22 A. I don't understand.

23 Q. So you do know what an asset is?

24 A. Yes.

25 Q. If you look at a balance sheet, you

1 S. KOUFAKIS

2 Q. Checking to see if the cash was  
3 correct?

4 A. Yes.

5 Q. And what would you do to check that?

6 A. I would -- I'd be checking the  
7 monthly financial statements for the OEMs.

8 Q. OEM?

9 A. OEM are the manufacturers.

10 Q. Would that be for all of the  
11 dealerships?

12 A. I would not do that on a regular  
13 basis.

14 Q. Would you be checking the monthly  
15 financial statements for all of the dealerships  
16 or just Chrysler and Hyundai?

17 A. I would look at all of them.

18 Q. And who prepared those monthly  
19 financial statements?

20 A. The office managers.

21 Q. To your knowledge, did any of the  
22 dealerships ever pay contractors or vendors in  
23 cash?

24 A. Not to my knowledge.

25 Q. Did you ever pay any contractor or

1 S. KOUFAKIS

2 manager, or did she work her way up?

3 A. She worked her way up.

4 Q. Did you have a close relationship  
5 with her?

6 A. Yes.

7 Q. So what is your best recollection as  
8 far as the amount of any loan that was extended  
9 by Chrysler to Debbie, during 2012, through her  
10 termination in 2017?

11 A. I could not tell you, off the top of  
12 my head.

13 Q. When you agreed to give her a loan,  
14 what, if anything, did you do to document that?

15 A. There was nothing written.

16 Q. On the occasion where you made her a  
17 loan, again this time period, 2012 to 2017, do  
18 you recall if you had to inform your brothers?

19 A. I'm assuming I did.

20 Q. Did you have to get their approval,  
21 or did you tell them after the fact?

22 A. I think after the fact.

23 Q. Why was there not anything written  
24 down?

25 A. We trusted her explicitly.

1 S. KOUFAKIS

2 compared to what Debbie or Vivian was making?

3 A. I don't remember, honestly.

4 Q. You had testified before that you  
5 remember getting reports periodically from  
6 Voynow, and that you said you would get rid of  
7 them at the end of the year. Do you recall that  
8 testimony?

9 A. Yes.

10 Q. Okay. Did you ever receive  
11 -- strike that.

12 Do you know if any of your brothers ever  
13 received reports from Voynow?

14 A. I think so, yes.

15 Q. Was there a, for lack of a -- a  
16 Voynow file kept in the office?

17 A. There might have been, but not that  
18 I know of.

19 Q. So is it fair to say, whatever you  
20 may have received you never then like forwarded  
21 it to filing, for somebody to put in a Voynow  
22 file?

23 A. Some of them, I kept in my office,  
24 and after a certain amount of time, we got rid  
25 of it.

1 S. KOUFAKIS

2 you received from Voynow, that you tossed end of  
3 the year?

4 MR. FELSEN: Objection.

5 A. No.

6 Q. Why do you say that?

7 MR. FELSEN: Objection.

8 A. First of all, it's not signed.  
9 Second of all, how did they send it? Did they  
10 send it certified mail? This could have been  
11 printed at any time. Is there a certified  
12 receipt for this?

13 Q. So I'm not here to answer questions.  
14 That can be a question your lawyer can ask.

15 Did you ever receive any engagement letter  
16 from Voynow?

17 A. No.

18 Q. Do you know what an engagement  
19 letter is?

20 A. Yes. What the scope of work is  
21 supposed to be.

22 Q. For the tax returns that you signed,  
23 do you know if the corporate tax returns, do you  
24 know if you or somebody on your behalf filed  
25 those? Do you know how they got filed?



1 S. KOUFAKIS

2 that's not Bates stamped.

3 If you can turn to -- this is the one we  
4 previously marked as Michael Koufakis 8. if you  
5 can turn to the sixth page of the exhibit.

6 A. Okay. Right there.

7 Q. So this is the check dated  
8 November 23rd, 2015, payable to Capital One. Is  
9 that your signature?

10 A. Looks like it.

11 Q. I'm going to ask you about all of  
12 these. Is it fair to say you don't have a  
13 recollection as to what, if anything, was  
14 provided to you as far as backup, prior to  
15 signing these checks?

16 A. Seven years ago? Really?

17 Q. So you don't?

18 A. No.

19 Q. All right. The next page of the  
20 exhibit, the check for 15,200, is that your  
21 signature?

22 A. Looks like it, yes.

23 Q. Then nine pages later, there's a  
24 check 8664 -- right there. You have it. That's  
25 a check for 15,500 again, dated May 26, 2015.

1 S. KOUFAKIS

2 Is that your signature?

3 A. It looks like it.

4 Q. Eight pages later in this exhibit,  
5 that's check Number 90599. The check is for  
6 \$16,550, dated April 1st, 2016. Is that your  
7 signature?

8 A. Again, it looks like it.

9 Q. Seven pages later, the check  
10 numbered 86642, dated May 26th, 2015, in the  
11 amount of \$15,644.95, is that your signature?

12 A. It looks like it.

13 Q. Three pages later, check 89072,  
14 dated 11/23/15 for \$8800, is that your  
15 signature?

16 A. Looks like it.

17 Q. Then six pages later, check 116188,  
18 dated November 23rd, 2015, in the amount of  
19 \$9,147.70 payable directly to Vivian.

20 Is that your signature?

21 A. Looks like it.

22 Q. So for what reason -- let me ask  
23 you -- would be signing a check, that's not a  
24 payroll check, payable to Vivian, on behalf of  
25 Star Toyota?

1 S. KOUFAKIS

2 invoices at any point?

3 A. No.

4 Q. Did you ever sign checks paying the  
5 Staples invoices?

6 A. I don't remember. Possibly.

7 Q. Okay.

8 (Staples checks from 2014 to 2017  
9 are received and marked as Exhibit  
10 S. Koufakis 4 for identification, as  
11 of this date.)

12 Q. I'm showing you what we've mark as  
13 Steve Koufakis 4, which is a series of Staples  
14 checks from 2014 to 2017. If you look at --  
15 there are numbers at the bottom that are Bates  
16 stamped, so if you would turn to P4386. Is that  
17 your signature?

18 A. Looks like it.

19 Q. If you look at P4394, is that your  
20 signature?

21 A. It looks like it.

22 Q. If you look at P4405, is that your  
23 signature?

24 A. It looks like it.

25 Q. P4416?

1 S. KOUFAKIS

2 A. Looks like it.

3 Q. And P4430?

4 A. Looks like it.

5 Q. And I think you answered this, but  
6 you did not carry a Staples card yourself,  
7 correct?

8 A. No.

9 Q. And never used a card to make  
10 purchases yourself?

11 A. No.

12 Q. And you just said you did not look  
13 at the invoices when you would sign the checks;  
14 is that correct?

15 A. I don't remember.

16 Q. I asked you before about your  
17 discussion with Debbie right around the time she  
18 was terminated, and I think you said she called  
19 about COBRA, right?

20 A. Yes.

21 Q. Was that the last contact you had  
22 with her, that phone call?

23 A. No.

24 Q. What was the last contact you had  
25 with her?